

Research Briefing

Number 9317

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29 October 2021

Procurement statistics: a short guide

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One of the ways in which the Government achieves its goals is to buy goods and services. This is referred to as ‘procurement’, and can cover a wide range of things, from the purchase of printer paper to commissioning social care.

This is a short guide to the main sources of procurement statistics for the UK, with headline figures.

1 Information on overall spending

There are two main sources that give us useful data on how much the public sector is spending on procurement in total across the UK:

- The Whole of Government Accounts, which takes a while to be published but gives the best estimates of how much the public sector is spending with the private sector
- The Public Spending Statistics and Public Expenditure Statistical Analyses (PESA) statistical releases, which give more recent data but include the public sector buying from itself.

1.1 Whole of Government Accounts

The Treasury's [Whole of Government Accounts](#) is possibly the most useful source overall for looking at how much the public sector buys from the private sector.

Figures are 'consolidated' so do not include spending by the public sector on other bits of the public sector.¹ This means that the headline figure is probably the best estimate of procurement spending by the public sector buying from the private sector.

The latest data is currently for 2018/19, when £274 billion was spent on procurement – about a third of public sector spending.

¹ There are various nuances to what's actually covered – this is a slight simplification. See the [Whole of Government Accounts documents and annexes](#) for more details.

Public sector procurement from the private sector			
£ billions			
	Procurement from the private sector	Procurement from private sector expressed as % of total spending	Total spending
2014/15	248.7	33%	751.3
2015/16	251.5	34%	742.2
2016/17	254.6	33%	762.6
2017/18	272.1	34%	808.8
2018/19	273.6	32%	851.8

Source: HM Treasury, Whole of Government Accounts (various editions)

Notes: Following NAO methodology, procurement figures are based on WGA categories: purchase of goods and services and other expenditure; additions to property, plant and equipment; additions to intangible assets; finance charges paid on finance leases and PFI contracts

The figures above exclude funding moving between bodies covered by the Whole of Government Accounts. 'Procurement from the private sector' is procurement by bodies covered by the Whole of Government Accounts from bodies not covered.

Most of this spending falls under the category 'purchases of goods and services' – this can be broken down into central government, local government & other public sector, with some figures for government departments and devolved administrations. See Paragraphs 1.127 to 1.131 and Note 8 of [Whole of Government Accounts 2018/19](#).

1.2

Public spending statistics

The Treasury's [Public Spending Statistics](#) and [Public Expenditure Statistical Analyses \(PESA\)](#) give more recent figures but include the procurement of goods and services by one public sector body from another.

According to this source, gross spending on public sector procurement was £357 billion in 2020/21 across the UK.

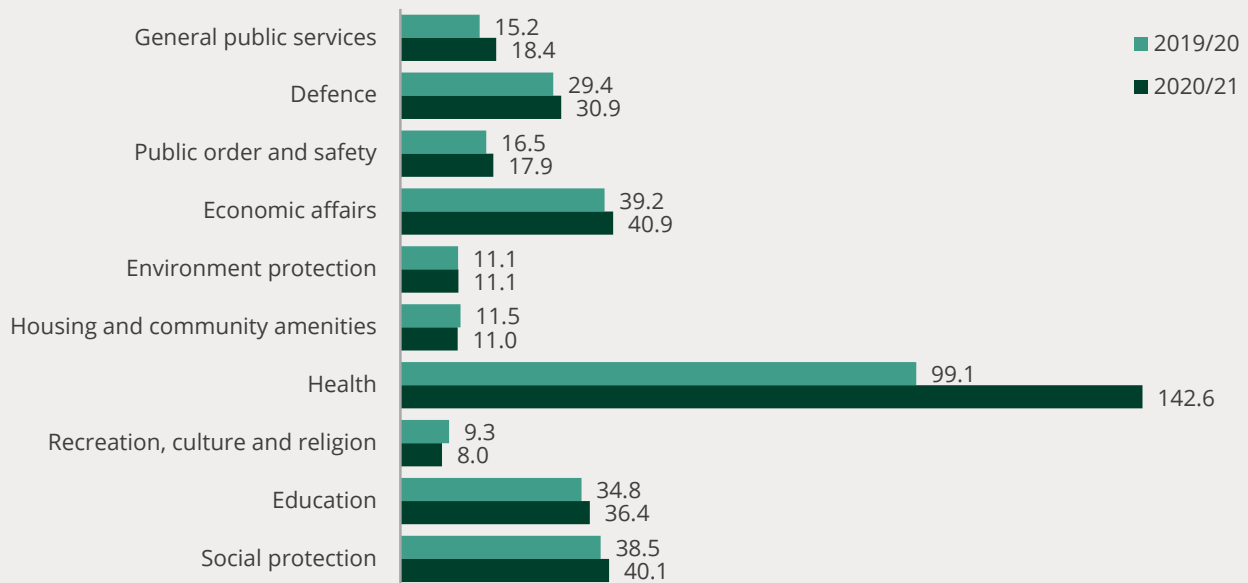
There was an increase by £53 billion or 17% between 2019/20 and 2020/21 due to the pandemic and public sector responses to it. Most of the increase came from increases in health spending, which rose by £43 billion or 44%.²

These figures can be broken down by area of spending, as shown in the chart.

² HM Treasury, [Public Expenditure Statistical Analyses 2021](#), 20 July 2021, tables 5.5 and 5.6. Figures include procurement by the public sector from the public sector.

Procurement spending rose substantially in 2020/21, driven by health

£ billions, gross procurement, capital and current combined



Source: HM Treasury, [Public Spending Statistics release: July 2021](#), 20 July 2021, tables 5.5 and 5.6

Published budgets for 2021/22 suggest procurement spending staying at around the higher levels seen in 2020/21.³ Note that these figures are based on government budgets which do not cover the full public sector, unlike the figures quoted above.

Note that:

- Current and capital procurement are shown separately in these publications – they can be added together to give a total for all procurement. Broadly speaking current procurement is day to day spending and capital procurement is spending on fixed assets such as buildings or major IT projects.
- [Public Spending Statistics](#) are published four times a year. [Public Expenditure Statistical Analyses \(PESA\)](#) is published once a year, in the summer, and has more detail. Figures in them should match, although Public Spending Statistics may have more recent revised data.

³ HM Treasury, [Public Expenditure Statistical Analyses 2021](#), 20 July 2021, tables 2.2 and 2.3.

2 Other useful sources

2.1 Procurement from small businesses

The Cabinet Office publishes [Central government spend with SMEs](#) each year.

This suggests that 26.7% of central government procurement spending went to SMEs in 2019/20 - 11.3% directly and 15.4% indirectly, through the supply chain.

These figures are ‘management information published in the interests of transparency’, and should be treated with a bit of caution, especially when looking at changes over time.

2.2 Procurement from abroad

The European Commission publish studies that look at the location of suppliers for procurement by the public sector - the most recent is European Commission, [Study on the measurement of cross-border penetration in the EU public procurement market](#), May 2021.

The analysis is largely based on records of tender and contract awards in the EU TED database. Contracts only needed to be included if they were over certain thresholds, so the statistics are only for larger contracts.⁴

The latest report includes figures for the UK, as the UK was still using the database for the period covered by the report. Headline figures are shown in the table.

Awards of UK contracts to foreign suppliers		
% of awards by value, 2016-2019 average		
	Contract value:	
	Up to €200 million	Over €200 million
Directly awarded to foreign suppliers	2.3%	2.1%
Indirectly awarded - supplier is controlled by a foreign company	17.6%	31.5%

Source: European Commission, Study on the measurement of cross-border penetration in the EU public procurement market, May 2021 - Tables 2-4 and 2-24

⁴ The thresholds that applied are set out in Cabinet Office, [Procurement Policy Note 18/15: New Threshold Levels 2016](#) and [Procurement Policy Note 04/17: New Threshold Levels 2018](#)

2.3 Transparency data

Data on particular types of procurement spending is often quoted in the media. Much of this comes from the variety of tender, contract award and transparency spending data that the government and other public bodies publish, for example through [Contracts Finder](#).

This data generally requires extraction, processing and analysis to give meaningful statistics, and data can still be patchy even after this work is done.

There are a couple of businesses that publish, and sometimes sell, figures based on this data:

- [Tussell](#) – analysis includes a [dashboard of covid contract awards](#) and [various other insights](#)
- Spend Network – publish lists of recent [Brexit](#), [consultancy](#) and [medical equipment and protective clothing](#) contracts.⁵

2.4 National Audit Office

The NAO produce reports from time to time that include figures and analysis on procurement – see their [list of reports under their commercial theme](#).

One useful report is on procurement during the first few months of the pandemic - see Part 2 in particular of NAO, [Investigation into government procurement during the COVID-19 pandemic](#), 26 November 2020.

⁵ We have access to a database of UK data from Spend Network in the Library that we can use to produce bespoke figures.

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